# **NOI Informational Sheet**

# **Utilizing NOI**

NOI is an additional way to use your entitlement funds. Along with the 6 yearly state orders and DoD Fresh Fruit and Vegetables, your school district can divert some types of USDA commodity foods directly to a processor, who will turn that food into a processed item. You can order those products as you do other food items; to be delivered by your distributor with your regular order. The value of the USDA donated food item is deducted from your invoice.

There are currently 3 options for using entitlement dollars:

- 1. 6 yearly USDA commodity orders
- 2. NOI
- 3. DoD

There are only certain types of approved processed items available through NOI. Each processor's calculator, broken into food group and located at <a href="http://goo.gl/YRAsQ">http://goo.gl/YRAsQ</a>, will help you determine what is available and how many pounds of a specific USDA commodity you want to divert to that company. The USDA commodity **food groups** that can be diverted for processing through the NOI program are:

Cheese	Tomato Paste
Eggs	Peanut Butter
Chicken	Flour
Turkey	Corn
Beef	Brown Rice
Pork	Pollock
Fruit/Juice	Potatoes

### **Allocating Pounds**

In order to allocate pounds to the NOI program you must fill out and submit the **NOI Request Form,** located at <a href="http://goo.gl/YRAsO">http://goo.gl/YRAsO</a>.

In order to fill out the **NOI Request Form**, first start with the **Processor Calculators**, which are organized by food group category.

### The Processor Calculators will:

- Provide you with a list of all NOI approved products.
- Help you determine how many pounds of each commodity food you need diverted to each processor.

### **Using the Calculators**

When you have determined the number of pounds of each item you need, transfer that information to the **NOI Request Form.** When completed, the **NOI Request Form** is submitted to the State Office. The State Agency uses

this information to order trucks of food, which are sent to processors. Because the total amount of requests to specific processors must equal a truck, the State Agency may have to revise your request accordingly. The Processor Calculators, in addition to the **NOI Request Form** will calculate the dollar value of each allocation you want to make. This total dollar amount will be deducted from your entitlement budget. The remaining balance is what you will have to spend on UDSA food deliveries and/or the DoD program. When allocating NOI pounds make sure to monitor how it affects your entitlement budget, as this will impact the amount of money you have remaining for commodities.

### **NOI at a Glance**

- Step 1: Review the Processor Calculators to see what processed items are available through NOI.
- Step 2: Using the Processor Calculator, determine the total number of pounds you will need for specific items.
- **Step 3:** Place that number into the **NOI Request Form**.
- Step 4: Review the total dollar amount of NOI pounds requested to ensure it fits into your entitlement budget.
- **Step 5:** Send the **NOI Request Form** to the State Office.
- **Step 6**: Wait to hear from the State Office that your allocations have been approved.
- **Step 7:** Starting with the new school year, order NOI items through your distributor.
- **Step 8:** Monitor your pound balances through Processor Link and K12foodservice.

Goal: To have zero pounds remaining at the end of the school year

### **Doing the Math**

NOI is an effective way to utilize entitlement funds because it allows you to order the same products you may already be ordering, with a deduction for the donated food value. You pay the product price, minus the USDA food value, plus the distribution fee.

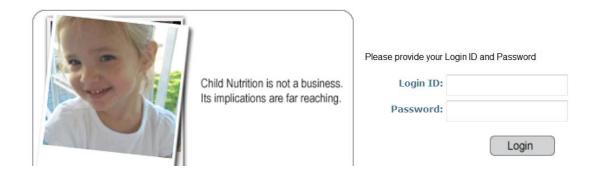
Product Price – the USDA food value + Distribution Fee = NOI Price

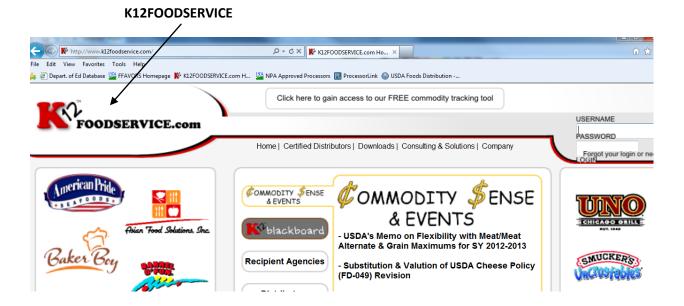
# **Using NOI Effectively**

Once you have allocated a specific number of pounds to a processor, your goal will be to use all of those pounds over the course of a school year; thus effectively utilizing your entitlement funds for your schools maximum benefit. You will monitor usage of those pounds through either ProcessorLink or K12FOODSERVICE. It will show the total number of pounds that are in your account, the amount you have used, and the balance remaining. At the end of the school year all unused food balances will be taken out of your account. Monitor your pounds regularly to make sure you are using them, as unused pounds essentially equate lost entitlement money.

**Monitoring NOI throughout the year:** All NOI allocations and balances are monitored through one of two websites: ProcessorLink or K12FOODSERVICE.

# ProcessorLink | Image: Compact of English Control of Frances of Control of English Contr





Click on the below websites to determine which website each processor uses.

ProcessorLink: <a href="https://www.processorlink.com/Manufacturers/Detail.aspx">https://www.processorlink.com/Manufacturers/Detail.aspx</a>
K12FOODSERVICE: <a href="http://www.k12foodservice.com/Index.lasso?User\_Group=Mfr">https://www.k12foodservice.com/Index.lasso?User\_Group=Mfr</a>

If you participate in the NOI program you will need to sign up for one or both of these accounts. **To sign up, click the below links.** 

- ProcessorLink: <a href="https://www.processorlink.com/UserLoginForm/UserAgreement.aspx">https://www.processorlink.com/UserLoginForm/UserAgreement.aspx</a> (input your information and click submit)
- ➤ K12FOODSERVICE: <a href="http://www.k12foodservice.com/Public\_Password\_Requests.lasso">http://www.k12foodservice.com/Public\_Password\_Requests.lasso</a> (print and fax the completed form)

Once you have a username and password you can login to ProcessorLink and K12FOODSERVICE using the following links:

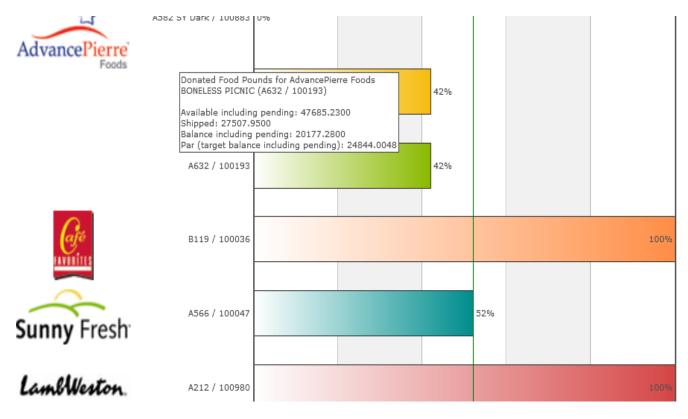
Processor Link: <a href="http://www.processorlink.com">http://www.processorlink.com</a>

➤ K12FOODSERVICE: http://www.k12foodservice.com

### DIFFERENCES BETWEEN PROCESSOR LINK AND K12FOODSERVICE

While ProcessorLink and K12FOODSERVICE both monitor NOI transactions and balances, the way they present information is different.

Processor Link shows the balance you have with each Processor that is **remaining (not used)**. For example, in the account below 47,685.23 pounds of item 100193 (boneless picnic pork), have been allocated to a Processor on behalf of a school. The school has used 27,507.95 pounds (this is located under "shipped"). The total balance is 20,177.28 pounds, which means there are 42% of total pounds **remaining**. In this example you can also see that the account holder has 2 items that have pounds which are 100% **remaining**. Ideally, pounds should be reduced over the course of the year to ensure total draw down of all pounds allocated.



K12FOODSERVICE shows these balances differently. For example, in the account below from K12FOODSERVICE, the percentage which has been **used** is shown. This account holder was allocated a total of 83,400 pounds of beef, for example, and has 26,885.850 remaining. They have **used** 68% of their total allocation (and have 32% **remaining**). You can also see from this account that the school has **used** 43% of their pork roast allocation, 64% of their pork picnic allocation and 20% of their cheese allocation. For more information on each item click on the highlighted blue number under "Est Year End Bal".

Distributor: DIRECT SHIP / NONE	Brokerage: WOLFF GROUP INC		Type: FFS - Active		
Commodity	Alloc LBS	Bal LBS	Est Year End Bal	Usage	Avg/Mth
100156 - BEEF BNLS SPECIAL	83,400.000	26,885.850	26,885.850	68 %	9,633
100173 - PORK ROAST LEG FRZ	121,181.290	69,140.840	69,140.840	43 %	8,87
100193 - PORK PICNIC BNLS	50,636.040	18,353.040	18,353.040	64 %	5,500
CHS - UNIVERSAL CHEESE	126,101.670	100,706.670	100,706.670	20 %	4,329

12. MCI Foods, Inc.						0 4
Distributor: UNKNOWN	Brokerage: HOCKENBERG NEWBURGH - IA			Type: NOI - Active		
Commodity	Alloc LBS	Alloc\$	Bal LBS	Bal \$	Usage	Avg/Mth
100007 - CHEESE CHED YEL	68,159.420	\$ 105,013.22	58,839.639	\$ 90,661.10	14 %	1,589

### **Additional NOI Questions and Answers**

What are the benefits of NOI? There are many benefits to utilizing the NOI program.

- Schools with small amounts of storage spaces can order smaller amounts of food, as needed, with their regular ordering cycles.
- Schools can have more flexibility to order what they want when they want it and can
  maintain consistency in product, as they can continue to order the same product (just
  paying full price) when the USDA donated food item is depleted.
- Schools have a wider selection of easy, convenient to use products when utilizing NOI, reducing prep time and waste.
- Processors are offering healthy food options that meet the new meal pattern.

**Will I Always Get What I Request?** No. The State of Iowa purchases commodity food by the truckload. Because of this, requests from schools are consolidated into truckloads. In some cases it may be necessary to round down to the nearest case. When this happens, schools may get less than requested. If there are not enough requests of a certain product the State of Iowa will try to share trucks with other states. In some cases, your request may not be possible if there is not a high enough demand for that product.

What Happens When I Use All of My Allocations with the Processor? You can continue to order the same product, but will pay your full bid price.